



THE AUTHORITY

The Newsletter of the Tennessee Regulatory Authority

May Edition

Chairman's Corner



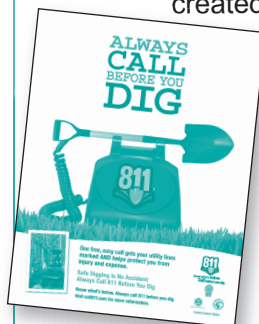
The Authority has spent a good part of the past year addressing the rates consumers pay for natural gas and water services. The Authority segregated a portion of its Staff to investigate allegations that Atmos Energy Corporation was overcharging its customers by at least \$10 million annually. Based on the investigative report the Authority proceeded with the case and in October 2006 ordered rate reductions to customers totaling \$6.1 million annually. In November 2006, Tennessee American Water Company (TAWC) petitioned the Authority requesting to increase revenues by \$6.4 million, a 19.7 percent rate increase. The Authority felt it was very important to conduct this hearing in Chattanooga in order to provide consumers with the opportunity to voice their concerns regarding this request. All of the parties did an excellent job in presenting this case and on May 15, within the statutory time frame, the Authority reduced the request of TAWC by approximately 40 percent

cont. page 3

Governor Bredeesen Proclaims '811 Call Before You Dig Week'

Governor Phil Bredeesen proclaimed April 29 - May 5 as "811 Call Before You Dig" week across Tennessee to publicize the phone number people should call to help them avoid digging into buried utility lines.

The federally mandated national "Call Before You Dig" number, 811, was created to help protect people



from unintentionally hitting underground utility lines while working on digging projects. By calling 811 three days before digging, people can have the location of underground utility lines marked without charge and help prevent the undesired consequences of personal injury and property damage.

cont. page 4



Dialing Codes Used In Tennessee

- 211: Community Information & Referral Services
- 311: Non-Emergency Police and Government Services
- 411: Directory Assistance
- 511: Travel & Road Condition Information
- 611: Telephone exchange repair services and business offices
- 711: Telephone Relay Services for the Hearing Impaired
- 811: Call Before You Dig Notification
- 911: Emergency Assistance

CONSUMER SERVICE ACCOUNTABILITY

One of the main operational goals of the TRA is regulatory oversight of utility operations and market conditions. The TRA seeks to hold providers accountable for the service quality provided to Tennessee consumers.

Many consumers however do not know that TRA provides a place to voice complaints and concerns

regarding the service they are receiving. The TRA only regulates for-profit utilities licensed to do business in Tennessee. This does not include utilities owned and operated by cooperatives and municipalities. A list of these regulated companies can be found on the TRA Web site, www.state.tn.us/tra.

cont. page 4

FREE EQUIPMENT TO THOSE WITH DISABILITIES

In 1999 the Tennessee General Assembly established the Tennessee Devices Access Program (TDAP) in order to provide free assistive devices to individuals who have hearing disabilities. In 2004, the legislation was expanded to include persons with any disability. TDAP provides a variety of devices to ensure that every person has no restrictions preventing them from using a standard telephone.

Nearly 8,000 devices have been distributed to Tennesseans across the state equaling an investment of approximately \$1.5 million since the establishment of the TDAP. These devices include the teletype (TTY), telebraille (TB), amplified and hands-free telephones.

The Consumer Services Division TDAP coordinator and staff are always

researching for new technologies available to assist those with disabilities that prevent equal telephone access. The TDAP Advisory Committee is comprised of representatives from the visual, deaf, hard of hearing, speech and mobility disabled communities. This committee meets on a quarterly basis.



TDAP offers a wide array of telephone devices to assist individuals use the telephone.

Do Not Call Program Exceeds 3 Million Registrants

Tennesseans continue to express their concerns regarding unsolicited telemarketing calls. To date, 3,065,484 Tennesseans have registered their telephone numbers to prevent telemarketers from calling their homes.

When an individual decides he or she wants to be on the Do Not Call registry, he or she registers online, via mail or via touchtone phone. The registered number is then processed and placed on the registry. It usually takes 30 days to complete the process. If a registrant still receives

unsolicited telemarketing calls from a company with which the registrant has not had business for 30 days, then the registrant can file a complaint with the agency. The complaint is then investigated by a member of the Consumer Services Division and the appropriate action is taken.

Firms wishing to make solicitation calls in Tennessee must register as an active telemarketing solicitor. Each month, active telemarketing solicitors receive a list of numbers restricted by the registry. Currently, there are 518 companies registered as active telemarketing solicitors.

For more information or to register for the Do Not Call list, visit TRA online at www.state.tn.us/tra.

TRA REACHING OUT TO THE CONSUMER

The TRA has been engaged in a strategic effort to take our programs and initiatives outside the office in Nashville and into the communities across the state of Tennessee.

Having made stops at community centers senior citizen centers, schools and churches, TRA's presence has been felt in 82 different Tennessee communities since last June. The outreach efforts give information on TRA's numerous consumer service programs, instructions on how to apply, recommendation on complaints as well as answers to any questions regarding the agency's programs and initiatives.

cont. page 4

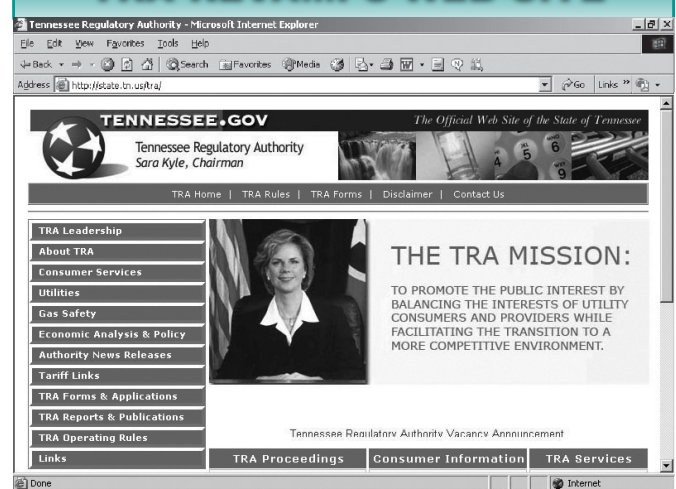
LIFELINE AND LINK-UP CONTINUES TO IMPACT LIVES

More than 50,000 Tennesseans are currently enrolled in the Lifeline and Link-Up programs. These programs aim to offer assistance to low income households with the cost of connection and local phone service charges. Lifeline provides a credit of up to \$13.50 on monthly local service charges. Link-Up reduces the installation charge by half, up to \$30, for new or transferred telephone service.

Individuals who receive public assistance automatically qualify for the programs through his or her phone company. Individuals whose income falls within 135 percent of the Federal poverty level can qualify by contacting the TRA.

For more information on the Lifeline and Link-Up programs, contact TRA at 615-741-2904 or toll free at 1-800-342-8359.

TRA REVAMPS WEB SITE



In an effort to streamline and make TRA's website more user friendly and more easily navigable, the TRA Information Technology Division has partnered with the TRA Communications Division to make some structural changes to the Web site. This continued effort seeks to make sure that the TRA presents timely, relevant and accessible information to all Tennessee utility consumers and providers. Visit the TRA online at www.state.tn.us/tra.

Chairman's Corner...cont.

and granted TAWC a \$4.08 million revenue increase. In June of 2006, Chattanooga Gas Company petitioned the Authority requesting \$5.8 million revenue increase. After progressing more than four months with more than sixty filings, the Company settled this case with the intervening parties in November 2006. The Authority approved the settlement resulting in a \$2.8 million or 9.86 percent revenue increase.

The Authority continually monitors the safety of Tennesseans relative to utility operations within the state. In culmination of continuous efforts by the TRA, BellSouth filed a tariff to implement an 811 call service. Customers can now dial the three digit number before digging to ensure that utility infrastructure is not damaged, utility outages are reduced and public safety is not jeopardized.

For the first time I can remember, the

TRA was presented with the possibility that consumers would lose gas service due to failure of the utility to operate. Brought on by the devastating hurricanes and poor management, RBS Gas Utility faced being cut off from its gas supplier. The Authority worked endlessly to resolve this situation while maintaining service to customers in Red Boiling Springs. I am delighted to say that our efforts were successful. In March 2007, the city of Red Boiling Springs purchased the utility and to this day continues to offer gas service to the residents of that area.

Energy costs are volatile and when rising, consumers are sometimes confronted with a high bill they may not be able to pay. Additionally, energy conservation has always been a concern of the Authority. To address these concerns, the Authority created the Home Energy Conservation Task Force to study and recommend possible solutions.

The Task Force is progressing with the issuance of its initial report providing a broad overview on these topics and possible solutions. The Task Force continues to meet and will soon issue its final report.

Since its inception, the TRA has promoted competition in telephone services. This year the Authority had the historic opportunity to approve the merger of BellSouth with AT&T. Along with other members of the Authority, I found that the merger will increase competition and provide the state with a boost to broadband deployment and economic development.

The Authority is privileged to provide technical staff to support the Tennessee Broadband Task Force. The Broadband Task Force continues to be instrumental in efforts to increase deployment of economically vital high-speed internet services to all Tennesseans.

TRA Reaching Out...cont.

Some of the most recent visits include the following:

- Blountville Regional Health Department, Sullivan County
- Sullivan County Board of Education, Sullivan County
- National Association of Social Workers Spring Conference, Davidson County
- National Association of Social Workers Statewide Lunch and Learns, Statewide

- St. Clair's Senior Citizen Center, Rutherford County
- Reelfoot Rural Ministry, Obion County
- Shelby County Metro Action Commission, Shelby County

For more information on having the TRA provide your community or group with vital information regarding any TRA program and/or initiative, please contact the agency at 615-741-2904 or toll free at 1-800-342-8359.

TRA Names Borum Chief of Gas Safety Pipeline Division

Effective May 1, Larry Borum was promoted to Chief of the Gas Pipeline Safety Division of the TRA. Larry is a civil engineer by profession, has been with the Gas Pipeline Safety Division for approximately three years and has approximately seven years of experience in natural gas system design. His new responsibility is directing the function and initiatives of the division in alignment with the overall mission of the agency.

'811' Week...cont.

Governor Phil Bredesen joined with Tennessee Regulatory Authority Director Eddie Roberson and Tennessee One-Call System Inc. Executive Director Bill Turner for the proclamation signing in the governor's office April 30 for the campaign kickoff. Tennessee One-Call System acts as an advance notification service to operators of underground facilities. Those utilities have thousands of miles of underground lines across the state.

Consumer Accountability...cont.

For persons who have service complaints, there are a few steps that should be followed.

- Step 1**→ Contact the utility provider to try and resolve the problem.
- Step 2**→ If there is no resolution, gather all documentation of the complaint issue.
- Step 3**→ Contact the Consumer Services Division of the TRA via mail, e-mail or phone.
- Step 4**→ A consumer service investigator will be assigned to your complaint and contact you for consultation.
- Step 5**→ The TRA investigator then works with the provider to resolve your complaint.
- Step 6**→ The TRA investigator will notify complainant of the resolution.



Tennessee Regulatory Authority. Authorization No. 316231, 300 copies, February 2007. This public document was promulgated at a cost of \$2.21 per copy.